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CHAPTER XV.—URUGUAY.

[A 81/81/46]

No. 234.

Mr. Drake to Viscount Halifax.—(Received January 6, 1941.)(No. 321. Confidential.)
My Lord,

Montevideo, November 16, 1940.

I HAVE the honour to transmit herein my report on the heads of diplomatic missions accredited to this republic.

2. I regret that owing to pressure of other work it was not possible to furnish this report earlier in the year.

I have, &c.

E. MILLINGTON-DRAKE.

Enclosure in No. 234.

Report on Heads of Foreign Missions in Uruguay.

[Passages copied from previous reports are marked with an asterisk.]

Argentina.

*Dr. Roberto Levillier, Ambassador (the 30th August, 1937), who had been Argentine Ambassador at Mexico City, exchanged posts with Sr. Llambi Campbell at the latter's suggestion. Dr. Levillier has represented his country in Portugal and Poland, and at the League of Nations. He is also well known as a literary man and scholar, his speciality being the history of the Spanish "colonial" period in South America. He speaks unusually good English and French. His wife is also a person of intellect and distinction, and is English, having been a war widow. Dr. Levillier became doyen of the Diplomatic Corps in 1937, but ceased to be so on the appointment of a Papal Nuncio in January 1940.

Belgium.

*M. Joseph de Néeff, Minister (the 3rd September, 1929), continues at the head of his legation. He is a friendly little man, who is modest and unobtrusive. Following upon the accession of King Leopold, he presented fresh credentials on the 28th June, 1934. (Written in 1934.)

*M. de Néeff went on long leave to his country this year and seems to have returned rejuvenated and a little less nineteenth-century in his garb. He continues to represent his country with dignity and adequacy. (Written in 1937.)

He maintained a prudent and dignified attitude in regard to Belgium's capitulation.

Bolivia.

*Dr. Jorge Valdés Musters, Minister (the 6th December, 1937), is of English origin and appears to be a good friend to England, as well as liberal in outlook. He has had a great number of consular and diplomatic posts during twenty years of service, beginning in Liverpool before the war. He was Under-Secretary for Foreign Affairs in La Paz during most of the Chaco war. He gives the impression of a pleasant and competent official. (Written in 1937.)

He is, perhaps, the most definitely and frankly pro-British of the Latin American Heads of Missions here.

Brazil.

*Dr. João Baptista Lusardo, Ambassador (the 23rd December, 1937), has not previously had any diplomatic experience, and presumably owes his appointment to the manner in which, from 1930 onwards, he espoused the cause of Dr. Getulio Vargas. Although he holds degrees both as lawyer and doctor, he took up journalism and, after a short period as director of *La Nação*, in 1923 devoted

himself to politics. He has represented the State of Rio Grande (where he was born in 1892) in the Federal Chamber, and has also been chief of police of that capital. It is possible that his appointment was also due to a desire of Dr. Vargas to have an experienced supporter to watch possible activities of Brazilian exiles. Dr. Lusardo is pleasant and affable and has made himself *persona grata* with local personalities. He has always shown himself particularly well disposed to this legation. He is married, but his wife appears very little at official and social functions. (Written in 1939.)

As a close friend of Dr. Cesar Charlone, Vice-President of this Republic and Minister of Finance, and a candidate for the next presidential term of office, Dr. Lusardo is presumably *au courant* with the potentially pro-totalitarian "alliance" between Dr. Charlone and Dr. de Herrera, leader of the "Herrerista" party here, who recently visited President Vargas.

Chile.

*Sr. Joaquín Fernández Fernández, Minister (the 23rd June, 1939), is a career diplomat who has served in the Netherlands, Bolivia, Paraguay, Switzerland, Germany and Argentina. He was also for a time governor of the Province of Valparaíso and Minister of the Interior. (Written in 1939.) A quiet, distinguished, if rather subdued, personality. Both he and his pleasant wife give the impression of being sincerely with us.

Colombia.

*Dr. Raimundo Rivas, Minister (the 26th May, 1939), is one of the few career diplomats of his country and in 1931 was, for a very brief period, Minister for Foreign Affairs. I understand that, although still prominent in the academic world of Colombia, he was a disappointed man and was, until his present appointment, leading a retired life. He is accredited also to Paraguay. (Written in 1939.)

Cuba.

*Sr. Luís Rodríguez Embil, Minister (the 14th January, 1935), joined the consular service of his country in 1903; has served at Rome, Paris, London, Madrid, Vienna and Antwerp; and comes from Hamburg, where he was Cuban consul-general. He has written several books. He has a German wife, who at first knew little Spanish, but they are well liked here. (Written in 1937.)

Sr. Embil proceeded on long leave of absence in September last, and has been replaced as *chargé d'affaires* by Dr. Gabriel Suárez Solar, a pleasant little man, who was for several years in London, is staunchly pro-British, and has been discreetly sweeping German dust from the legation in his charge.

Czechoslovakia.

Dr. Frantisek Kaderabek, Minister (the 24th September, 1935), was accredited to Argentina, Uruguay, Paraguay and Bolivia, and resided at Buenos Aires.

Although the Argentine Government apparently regarded his mission as ended at the time of the occupation of Prague, Dr. Guani has told me definitely that he did not consider this to be the case as regards the Uruguayan Government, which had not recognised any change by violence in Europe. But on the other hand, Dr. Guani did not approve of Dr. Kaderabek's possible intention of coming over to reside in Montevideo, thereby changing, on his side, his previous *status quo ante*.

France.

M. Henri Hoppenot, Minister (the 30th October, 1940), succeeded M. François Gentil (now transferred to Lisbon), who had been here since 1933 and who was passively pro-Pétain. M. Hoppenot is well-disposed, broad-minded on the whole issue of France's position, and outspoken in his hopes of British victory—comprehensibly so, since his removal from his post as head of the European Department in the French Ministry for Foreign Affairs was due to his Anglophile sympathies and to his disapproval of the policy of surrender. His position here is not an enviable one, as there are only four members of the French colony of any consideration who adhere to the Vichy régime. However, as far as anyone can secure sympathy for that régime, M. Hoppenot is likely to do so by his broad-mindedness and discreet activity. On finding, on arrival, that his first secretary, M. Albert Ledoux, intended to resign, he treated his intention

with friendly comprehension, though naturally endeavouring to dissuade him from it, and explained to me, during his call at this legation, that he felt it was better for Anglo-French relations that reasonable officials should remain in their places, instead of being replaced by Anglophobes. He has, accordingly, sought to make things easier for M. Ledoux by preventing his return to France (whither he had been summoned by the Vichy Government) and by securing the transfer to Rio de Janeiro of the objectionable Vice-Consul-Chancellor.

Germany.

*Herr Otto Langmann, Minister (the 17th January, 1938), has not held any previous diplomatic post. After studying for the Church, he spent three years in Guatemala in missionary work. There, becoming interested in Nazism, he affiliated himself to Nazi activities and is said to have been instrumental in organising the Nazi group in that country. On his return to Germany, in 1933, he participated in the *Machtergreifung*, and, later, was offered a professorship, but before entering on his new duties was given a mission abroad, in the course of which he visited Colombia and Ecuador and certain countries of Central America. It is understood that he was accompanied by a representative of the German Foreign Office, and that his mission was to assist in strengthening local Nazi organisations in the countries he visited and to adjust relations between those organisations and the official German diplomatic and consular representatives. On his return to Germany he was given a post in the Propaganda Department of the Wilhelmstrasse before being appointed to Uruguay. In this country he is the head of the local branch of the organisation. He appears to show little interest in normal diplomatic routine and contacts. In the middle of 1938 he left to attend the Nuremberg Congress and returned in October; in May of 1939 he was, like his other colleagues in South America, summoned to Berlin. He is married. (Written in 1939.)

Since the outbreak of war Herr Langmann's position has not been an enviable one. Apart from the fact that the sentiments of the greater part of the population of Uruguay were pro-Ally—and, since the defection of France, overwhelmingly and enthusiastically pro-British—he received several sharp lessons on diplomatic procedure from Dr. Guani, the Minister for Foreign Affairs, in connexion with *gaffes* committed by him during the *Admiral Graf Spee* incident, and during the investigation of Nazi activities in this country. That Herr Langmann has of late shown a great deal less activity, openly at any rate, in pressing for the release of the imprisoned Nazi leaders is probably due to the desire to avert at all costs focusing further attention on the position of his press attaché, the notorious Herr Julius Dalldorf, *de facto* Reich Gauleiter for Uruguay.

Neither he nor his Italian colleague venture to appear in public here except when this is strictly required by protocol.

Holy See.

Mgr. Alberto Levame, Nuncio (the 19th January, 1940), titular Archbishop of Quersoneso, is the first representative of the Holy See to be accredited to Uruguay after an interruption of full diplomatic relations extending over some twenty years. In his capacity as dean of the Diplomatic Corps Mgr. Levame takes an active part in social activities. Although regarded in some quarters as being first and foremost an Italian and, as such, likely to be, secretly, in favour of the Axis Powers, he was one of the first arrivals at the reception held at this legation in honour of Rear-Admiral Harwood after the battle of the River Plate.

Italy.

*Dr. Alberto Bellardi Ricci, Minister (the 16th September, 1938), was, until his present appointment, head of one of the departments of the Italian Foreign Office. He entered the diplomatic service of his country in 1920 as attaché at Vienna; served as secretary at Athens, Brussels, Madrid and Budapest; and, later, as counsellor at Warsaw. I knew him at Brussels from 1924 to 1927. Both he and his wife, who is a Luchesi-Palli, are of distinguished appearance and of alert intelligence, and both speak English and French fluently. (Written in 1939.)

Dr. Bellardi Ricci's position, like that of the German Minister, has not been a pleasant one, with some 70 per cent. of the Italian element pro-Ally and popular opinion being a mixture of indignation and ridicule towards Fascist

Italy. Moreover, one of Farinacci's newspapers published reports from an unidentifiable correspondent in Montevideo to the effect that Uruguay's attitude amounted to belligerency against Italy and (quite untruly) that Italians were persecuted here.

Mexico.

Dr. Manuel Y. de Negri, Minister (the 31st May, 1939), had previously held the rank of chargé d'affaires from the 3rd March, 1938. He is tall and of European appearance; he speaks English, and his friendliness has been undiminished by the rupture of relations between his Government and His Majesty's Government. His Chilean wife, who is very alert and has a mordant tongue, is definitely anti-totalitarian.

Paraguay.

Sr. José Dahlquist, Minister (the 9th February, 1940), is well known here as a local business man, and was chargé d'affaires from the end of 1931 to the beginning of 1936. The close understanding between Uruguay and Paraguay is partly due to his quiet, efficient work. There is, unfortunately, reason to suspect him of pro-Nazi inclinations.

Peru.

*Dr. José Luís Bustamante i Rivero, Minister (the 26th May, 1939), is a career diplomat who has seen service at La Paz, and was one of his country's delegates at the VIIIth Inter-American Conference held at Lima in 1938. As a lawyer of note in Peru he has held the chair of civil law at the University of Arequipa, and has also been Minister of Justice and Public Instruction. He seems a quiet, pleasant man. (Written in 1939.)

Spain.

Marqués de los Arcos, Minister (the 30th July, 1940), was, as Sr. Luís Martínez de Irujo y Caro, counsellor at the Spanish Embassy in London and, later, chargé d'affaires, prior to coming into his title and being promoted, as here by a chargé d'affaires, the last being Sr. Francisco José de Castillo, whose sympathies were markedly on the side of the Axis Powers. The Marqués de los Arcos does not appear to share such sympathies, and from his attitude when making his call on me it may be anticipated that here, as in England, he will help to promote Anglo-Spanish relations.

United States.

Mr. Edwin C. Wilson, Minister (the 27th October, 1939), is a diplomatist *de carrière* with an unusually distinguished career, having been on two separate occasions at Paris and for another considerable spell Director of the Latin American Department at Washington. It is interesting also to recall that he saw active service with the Allies in the last war. I have found him sympathetic and helpful in our official and personal relations, though he gives little or nothing away to me as to the state of his negotiations with the Uruguayan Government on any point. On the other hand, I and the commercial secretary have furnished him and his staff with almost any information in our possession likely to be helpful. He has quickly made a position for himself in the Uruguayan official world, especially with the Minister for Foreign Affairs, who has a high opinion of his judgment and knowledge of affairs, and, indeed, I have reason to know that he is regarded in the State Department as one of the best men of his seniority.

He is a diplomatist of the old school, and it was well said of him that he was more "Faubourg" than any diplomat who had come to Uruguay for a long time. Though his own sympathies are warmly and sincerely with us, there are, unfortunately, indications that this is not the case with his wife, a distinguished Hungarian lady, though this is, perhaps, attributable to personal pique due to local circumstances.

Venezuela.

Sr. Rufino Blanco-Fombona, Minister (the 20th November, 1939), a man of some 63 years of age, is one of the best-known writers of South and Central America, and in the past collaborated on several occasions with the Uruguayan writer, the late José Enrique Rodó.

Representatives not resident at Montevideo.

(The following representatives, who are accredited also to the Argentine Government, reside habitually in Buenos Aires, with the exception of the representative of Guatemala, who resides in Rio de Janeiro):—

- Denmark*.—Dr. Fin Lund (May 15, 1940).
- Dominican Republic*.—M. Tulio Cestero (November 27, 1935).
- Guatemala*.—Dr. Manuel Arroyo (November 21, 1933).
- Hungary*.—M. Arno de Bóbrík (February 16, 1940).
- Japan*.—Mr. Iwataro Uchiyama (May 19, 1938).
- Lithuania*.—Dr. Kazys Grauzinis (March 8, 1940).
- Netherlands*.—M. Petrus Ephram Teppema (June 24, 1932).
- Norway*.—M. Rolf Andvord (March 26, 1936).
- Poland*.—Dr. Zdzislaw Kurnikowski (October 18, 1937).
- Portugal*.—Dr. José Rodrigues dos Santos (February 15, 1932).
- Roumania*.—Dr. Frederik C. Nano (March 29, 1938).
- Salvador*.—Sr. Julio C. Rossello (June 25, 1935).
- Sweden*.—M. Otto Wilhelm Winther (June 4, 1940).
- Switzerland*.—Dr. Conrad Jenny (December 27, 1938).
- Yugoslavia*.—Dr. Izidor Cankar (June 23, 1937).

[A 198/20/45]

No. 235.

Mr. Millington-Drake to Viscount Halifax.—(Received January 10, 1941.)

(No. 331.)
My Lord,

THE question of aero-naval bases in Uruguay for the use of the United States and/or other American States has now come to the end of what might be called its second phase, and can therefore be usefully reviewed as a whole.

2. The first phase, which was little more than a prologue, can perhaps best be indicated by the following synopsis according to date:—

April 30, 1940.—First denial by Uruguayan Ministry for Foreign Affairs of negotiations regarding bases.

June 18, 1940.—Arrest of ten Nazi leaders as a result of investigations by a parliamentary committee.

June 19, 1940.—Tentative negotiations opened between Uruguay, the United States and other Latin American countries.

June 23, 1940.—Speech by the United States Minister in Uruguay during a visit of United States cruiser *Quincy*, giving assurance that the United States would help in crushing un-American intervention on the American continent.

July 21–30, 1940.—Havana Conference, prior to which Nazi leaders had been temporarily released, it is believed under threat by German Government that it would otherwise break off relations.

August 1940.—United States naval and air force technicians visit Uruguay.

August 30, 1940.—First denial by United States Legation.

September 16, 1940.—Second denial by Uruguayan Ministry for Foreign Affairs.

September 24, 1940.—Uruguayan Military Mission leaves for the United States.

October 28, 1940.—Arrival back of Uruguayan Military Mission, head of which, according to reliable information, urged the Uruguayan Government to establish bases.

3. The second phase was opened in sensational form by the publication in Buenos Aires on the 10th November of an article by Mr. John White, the

Montevideo correspondent of the *New York Times*, alleging that two secret United States envoys, whose names were given as Speers and Wooten, visited Montevideo in June last to ask for the cession of bases. The correspondent admitted, however, that the Uruguayan Government had rejected the proposition, but had put forward an alternative plan whereby they could become available at need to all American nations, without Uruguayan sovereignty being thereby infringed.

4. The publication of this article was speedily followed by denials both from the United States Legation and the Uruguayan Ministry for Foreign Affairs that any form of agreement had been reached, though the latter admitted the existence of negotiations on the lines mentioned. Meanwhile the "Herrerista" paper, the *Debate*, whose strongest suit has been violent opposition to the United States, began to pave the way for future parliamentary action by its party, by indulging in a series of wholesale condemnations of the "Yankee menace." It was, however, conspicuously alone in this attitude, as the remainder of the Uruguayan press, including the Opposition papers, heartily endorsed the Government's decision. In this they were seconded by the Argentine papers, the *Prensa* and the *Nación*, which from the very first took the announcement in the best spirit, though justifiably concerned about the domination of the River Plate channel to Buenos Aires entailed by the construction of bases on the Uruguayan coast.

5. At this point a special meeting of the Cabinet, summoned on the 14th November, heard with unanimous approval a statement by Dr. Guani on the present state of the negotiations, but a further sensation was to be caused the following day by the announcement of the resignation of the Minister of Public Instruction, Dr. Toribio Olasso, who was the holder of one of the three Ministries which, by the present Constitution, are the prerogative of the "Herrerista" party. He stated, however, that his resignation was due to his personal conviction that the bases were undesirable, and it is significant that it was not followed by that of the remaining two "Herrerista" Ministers, viz., Señor Juan José Arteaga, Minister of Public Works, and Dr. Gervasio Posadas Belgrano, Minister of Industry, who are personally strongly pro-British, the former by family tradition, and the latter because he was a pupil at the British schools, a fact which may prove most valuable in the difficult months to come.

6. Meanwhile, as reported in my telegram No. 344, President Baldomir, stirred into energetic action by this latest "Herrerista" interference in foreign policy, on the 17th November made for the first time a fighting speech in the provinces, in which he roundly accused the latter of using the present Constitution as a cloak for political sectarianism, and of being the only obstructionists to a universally-felt desire for its reform. It was widely reproduced and approved, and did much to win back the popularity that the President, through his seeming inertia in this and other matters, had already in some degree lost.

7. The President's statements were speedily re-echoed by the Minister for Foreign Affairs in the Senate, where his interpellation on the whole question took place during a crowded session on the 21st November. This interpellation had been voted on the 12th November by the "Herrerista" party, who are constitutionally the holders of half the seats in the Senate, this being the *quid pro quo* for their support of President Terra in the partial *coup d'Etat* of 1933. Dr. Herrera, a pro-German in the last war, has lately come under strong Nazi influence, and recently made a much criticised journey to Brazil, in order to contact Nazi elements there. President Baldomir was at first informed that these contacts were taking place under the auspices of President Vargas, but whatever truth there may have been in this allegation it was the latter himself who brought them to President Baldomir's notice. It is largely as a means to these and other political ends that Dr. Herrera has so strongly opposed political or commercial co-operation with the United States.

8. The occasion in the Senate was notable for some outspoken criticism, both by Dr. Guani and his "Herrerista" opponents. The accusations of political sectarianism and abuse of constitutional privilege which he brought against the latter at the close of his speech were identical with those of the President, thus showing evidence of a deliberately-planned campaign to overcome the "Herrerista" opposition generally. Dr. Guani pointed out that his Ministry had already issued denials on three occasions that any agreements on bases had been concluded, while the rumours to that effect by the Montevideo correspondent of the *New York Times* had also been officially denied by the United States Under-Secretary of State in Washington. The Government

programme was for the construction, upkeep, direction and fiscalisation, by Uruguayan authorities only, of any bases which might be necessary. They would only be put at the disposal of foreign American countries if the security of the continent was threatened, in accordance with the resolutions of the Havana Conference. In reply to Senator Haedo, who observed that the Act of Havana had not been ratified by the Uruguayan Parliament, so that its provisions were not yet binding on the country, Dr. Guani said that the third declaration of the Lima Conference of 1938 established the solidarity of all the American countries if any one of them was the victim of aggression.

9. He then went on to say that on the 19th June the United States Government had opened tentative negotiations in order to prepare schemes for local defence, and ultimately a more extensive scheme of combined action for continental defence. I would here recall that on the 23rd June the United States Minister, at an official luncheon to the officers of the United States cruiser *Quincy*, which had just arrived in Montevideo, made a remarkable speech, in which he, in fact, reaffirmed the Monroe doctrine by declaring that the United States were prepared to give all possible co-operation should the sovereignty of the Latin American States be seriously threatened by a non-American Power.

10. With these ends in view, Dr. Guani continued, the United States Government had made enquiries as to Uruguay's views on the following questions in the event of such aggression:—

- (i) What would Uruguay do to defend herself? and
- (ii) What, in general terms, was the aid they would wish to receive in the event of such an aggression?

To this the Uruguayan Government had replied that the combined army and police forces of the country were quite inadequate (actually some 14,000 men), and that they would ask for all the help necessary to repel invasion. The Government were then further asked—

- (iii) If it would be ready to provide the necessary sea, land and air bases, means of communication, and other facilities necessary to make such help effective.
- (iv) If the United States send aid to other American republics, would Uruguay guarantee to put its existing sea and air ports at the disposal of the United States, if necessary, and accord them the right of search of foreign merchant ships?

To these last two queries the reply was that all such military aid must depend on a request for help by the Uruguayan Government, must be of a purely provisional nature, and that the Government, in deference to national feeling, would not admit of any act which would constitute an infringement of their sovereign rights. To a final question as to whether the Uruguayan Government would agree to staff conferences, an affirmative answer was given.

11. In reply to Dr. Guani, Senator Haedo strongly criticised the individualism of his policy, which he alleged often lacked parliamentary and even Cabinet approval. He argued that bases costing approximately £20 million would be quite beyond Uruguay's means, and would permanently commit her to the country granting the necessary loan. For all her good neighbourliness, the United States had broken off negotiations for a trade treaty with both Uruguay and Argentina. The cleverness of Señor Haedo's attack was further seen when, fully conscious of popular faith and hope in Great Britain at the present time, he maintained that, if the latter won the present war, there would be no further need for bases, and, if the Axis Powers triumphed, they would be too occupied in Europe to think of America. And, even if they did attempt to attack the American continent, they would have to face first the United States fleet; and announced its intention never to surrender; secondly the United States fleet; and lastly the United navies of Argentina and Brazil. In the same way Japan could not constitute a menace to America, as she also would have to face the navies of the world, including that of Chile. Instead, therefore, of concentrating on armaments, Uruguay would be better employed in developing her own industries and public works. Other Senators, including Dr. Herrera, made bitter attacks on the United States, from which Dr. Guani formally dissociated his ministry.

12. Finally, at 1 o'clock in the morning, the following motion was proposed and approved by 25 votes out of 26:—

"Having heard the statement of the Minister for Foreign Affairs, the Senate declares that in no case can it approve treaties or agreements authorising the establishment in Uruguayan territory of naval or air bases which would in any way be a cause of servitude to the nation or detract from the sovereignty of the State."

13. This motion was, in effect, what Dr. Guani had declared, a point which was emphasised later by the President of the Republic, and it was therefore perhaps unfortunate that the former had concluded his statement with a repetition of the President's accusations against the "Herreristas," since it so happens that the "Colorado" Senators are not personally well disposed to him, and immediately resented his attack as being on the Senate as a whole. An additional motion, expressing the Senate's extreme displeasure at his imputations, was therefore passed by 20 votes to 6.

14. However, President Baldomir, nothing daunted by the result of the interpellation, promptly declared that he would renew the "Herrerista" challenge, as nothing had occurred to make him modify his views. In this he had the opportune support of a sound and able editorial in the *Pais* on the 26th November, which, though still nominally an Opposition organ, has been throughout wholeheartedly with the Government in this matter. A somewhat abbreviated translation, pointing out the vital interests of Argentina, and declaring that United States aid should be limited to such material as she and Uruguay jointly could not provide, is enclosed with this despatch.

15. Furthermore, a proposal by the leading Socialist Deputy, Señor Frugoni, for a new interpellation of the Minister of Defence in the Chamber, was rejected on the 25th November by a large majority, as the "Herreristas" abstained from voting for it in order not to prejudice the success of a motion of censure on the Government in the forthcoming session. However, the question was again raised in Parliament on the 27th November, when General Roletti, the Minister of Defence, made a voluntary appearance, together with Dr. Guani, in the Chamber of Deputies again to explain the situation in detail on behalf of the Government, and doubtless to show their appreciation that the Chamber had rejected a motion of interpellation prior to that in the Senate.

16. General Roletti, who spoke first, stated that, following the Havana Conference, an exchange of views had taken place between military technicians of Uruguay and the United States, and the latter had submitted a *questionnaire* exactly similar to one submitted to the Argentine General Staff. He was naturally unable to reveal what those questions were, but he could say that the Uruguayan naval authorities had agreed, within a Pan-American scheme for the co-ordination of defence, to establish an office for the interchange of naval information, and also to grant port facilities. He then confirmed that the Uruguayan Government had made enquiries concerning armaments in several quarters, but had not yet received any concrete replies. The United States had been invited to tender, amongst other material, for three destroyers, five long-range sea-planes and six bombing sea-planes. It was clear that Uruguay could not repel a large-scale attack with such forces, and it was equally clear that she could count on outside support should such an attack be launched; but it was not becoming to her dignity as a sovereign nation to make no contribution to the common defence and let Argentina and Brazil fight her battles for her. General Roletti concluded by assuring the Chamber that the question of constructing new bases had never arisen, as Punta del Este was an ideal natural base, and improvements at Montevideo and the construction of a big airfield at Carrasco would be more than sufficient, as well as being abundantly justified commercially.

17. Dr. Guani then alluded to the suspicions voiced in the Senate regarding the Government's attitude to the problem, and again stated that the latter never would, directly or indirectly, compromise the sovereignty of the nation. Its policy was being conducted in consultation with the other American republics, and was in accordance with the resolutions of the various Pan-American conferences.

18. At the close of the session a "Herrerista" motion, declaring national feeling to be against the establishment of bases of any kind, whether financed by the Government or with aid from abroad, and claiming for the Legislature the

incontestable constitutional right to make the final decision, was rejected by 57 votes out of 74. This was immediately followed by a motion proposed by the "Colorado" section, which was then approved by 53 votes to 21. It read as follows:—

"The House of Representatives, having heard the statements of the honourable members of the Cabinet, expresses its most complete adhesion to the international policy pursued by the Government in the matters debated this afternoon, and is in agreement with the principles upheld by Uruguay at all recent international conferences, and also with the general principles of co-operation and American solidarity."

19. It will be noted that on this occasion Dr. Guani prudently abstained from attacking the "Herreristas" as he had done in the Senate; and his explanations, together with those of General Roletti, caused general satisfaction to the Chamber. Indeed, the Government's alleged bad handling of the whole bases question amounts to no more than an unfortunate delay in informing Parliament of the tentative conversations with the United States. It was left to the President of the Republic to pursue the attack on the "Herreristas" in an interview which he gave on the 27th November to the *Diario*, the evening paper which has the largest circulation of any in Uruguay. His statement was virtually a synthesis of his own fighting speech at San José and of the statements of Dr. Guani and General Roletti in the Senate and Chamber. Like the latter, he made friendly references to both Argentina and Brazil, and hinted that improvements to the natural harbour of Punta del Este would sooner or later have to be carried out as Uruguay's future "lay preferentially on the sea."

20. Since I have drafted the above despatch, I learn from a reliable source that the Uruguayan Government are on the point of obtaining from the United States Government a loan of 10 million dollars for the establishment of these bases, which is a relatively small one. It would therefore seem that the President and Dr. Guani have, in fact, been quite undeterred by the "Herrerista" attack on their prudent policy in regard to them. From our point of view it is encouraging to observe that whereas the President and Dr. Guani banked largely on the remarkable admiration and belief in Britain at present prevailing, yet at the same time the cleverness and danger to them of the "Herrerista" attack lay in the subtle manner in which it endeavoured to turn that confidence to its own use, by arguing that there was much likelihood that a British victory would render the bases superfluous.

21. I have sent copy of this despatch to His Majesty's representatives at Washington and all Latin American posts. I have, &c.
E. MILLINGTON-DRAKE.

Translation from the *Pais*, Montevideo, November 26, 1940.

Pan-American Bases.

NOW that the interpellation in the Senate is over, without in any way modifying the situation, the closest attention should be paid to the above matter, which is of the greatest national and continental importance.

There is unanimity over one point: any solution arrived at should have the consent of Argentina, whose interest in the problem is paramount. The entrance channels to the River Plate are close to the Uruguayan coast, precisely in the zone where eventually the bases would be established.

Although we learn from a reliable source that the Argentine General Staff have been able to discover another channel which, in case of need, would enable them to dispense with those on the Uruguayan side, this seems rather a military expedient than a permanent substitute for Argentine trade routes.

Moreover, our firm adhesion to American solidarity should logically begin with Argentina, to whom we are so closely linked, and especially when her Foreign Ministry is in the hands of such a capable and upright statesman as Dr. Roca.

We would not say the same, however, if the post had been given to Dr. Leopoldo Melo, who, through his obsession regarding the Falkland Islands, has been long suspect. More recently, his extraordinary ingenuousness over the Argentine beef question, in which he revealed an alleged conversation with Roosevelt, as well as his presence at a banquet in honour to the German Ambassador in Buenos Aires, have only served to confirm these suspicions.

He can be said to represent a point of view which is, fortunately, fast disappearing in Argentina, one which preached isolation, the reconquest of the Falklands, and viewed with favour Allied defeats, while contemplating adhesion to the new order.

But faced with the prospect of catastrophic developments in June, Argentina chose the right road, and the presence of Roca, Pinedo and Culaciati in the Cabinet amply confirms this.

Under such auspices, it should not be difficult to arrive at an agreement for the common defence of the River Plate, in which the United States must of necessity be included. The disinterested attitude adopted by the latter in refusing even to consider the lease or occupation of bases should allow an agreement to be reached, in which the greatest contribution would be made by the countries bordering on the River Plate and the smallest by the United States.

That, in our view, would be the proper basis for negotiations. The greatest contribution by Argentina and Uruguay, and the smallest—i.e., that which the joint effort of these two could not provide—by the United States, all of which, in view of the fact that a modicum of North American aid, whether military or financial, is essential; but with the reservation, as we said above, that such aid should be reduced to a minimum, a feeling in which we are sure that Washington would heartily concur.

In conclusion, we are told that Argentine military technicians admit, now that the matter has been raised, that the defence of Buenos Aires and its dependent zone could be much more easily and successfully effected, from a point on the Atlantic coast of Uruguay.

[A 781/34/46]

No. 236.

Mr. Millington-Drake to Mr. Eden.—(Received February 14.)

(No. 14.)

Sir,

IN the memorandum on the internal politics of Uruguay, enclosed in my despatch No. 291 of the 15th October of last year, I explained that the Uruguayan Constitution of May 1934 was in the nature of a political "deal" between Dr. Gabriel Terra and Dr. Luis Alberto de Herrera, in which the latter and his party, who were second in the presidential elections, obtained their *quid pro quo* for supporting the partial *coup d'Etat* of Dr. Terra in 1933, in the shape of half the seats in the Senate and three of the nine ministerial posts. I further pointed out that both President Baldomir and the majority of public opinion in the country were becoming increasingly determined that this constitutional change must be reversed, namely, that an improved form of proportional representation must be re-established in the Senate and that the President himself must be given a free hand in the formation of his Cabinet.

2. Recent events, especially the clash of the "Herrerista" party with the Government over the question of the establishment of naval and air bases in Uruguay, have further revealed the grave disadvantage of permitting this party to continue the dual rôle of Executive and Opposition, made possible through the "deal" described above, and I now have the honour to report that a draft for the proposed amendment of the 1934 Constitution, together with a lengthy report on the same, was submitted to the President of the Republic on the 30th December last by a Committee of Jurists presided over by Dr. J. José de Amézaga (Personalities No. 3), a distinguished lawyer and international politician, who has, on several occasions, acted as mediator between the different groups of the "Colorado" party during the troubled period subsequent to the *coup d'Etat*.

3. The proposed amendments to the Constitution are not numerous, but are of fundamental importance with regard to the powers of the Executive and the

composition of the Senate. The amendment to article 86 provides for a system of proportional representation in the latter, whereby, should no party obtain an absolute majority, fifteen seats will be allotted to the party obtaining a simple majority, and the remaining fifteen will be distributed proportionately among the other parties. This modification, together with the amendment to article 163, by which the President of the Republic is empowered to appoint and recall all his Ministers of State, would effectively put an end to situations such as that which arose during the recent debate on naval bases, when the "Herrerista" Ministers supported the foreign policy of the President, while their party in the Senate severely criticised the Minister for Foreign Affairs for his attitude to continental defence.

4. It is also proposed to limit the functions of the Vice-President of the Republic, by withholding his legislative powers when he is discharging the presidential office. Furthermore, the only other public posts which he is permitted to exercise are the Presidencies of the Senate and the General Assembly.

5. The most important remaining modifications refer to the election and functions of a National Constituent Convention to consider future proposals for constitutional reform; to the establishment of a Council of National Economy to advise the Government on economic and social questions; and to the organisation and election of municipal government. The committee's report will be duly studied by the President of the Republic, and, if no further modifications are suggested, active steps will be immediately taken to secure the adherence of 20 per cent. of the electorate necessary before the amendments can be submitted to the General Assembly, for eventual reference to a plebiscite during the general elections of 1942.

I have, &c.

E. MILLINGTON-DRAKE.

No. 237.

[A 1594/525/51]

Mr. Millington-Drake to Mr. Eden.—(Received March 10.)

(No. 25.)

Sir,

THE technical breach of Uruguayan neutrality by H.M.S. *Asturias* in boarding the French merchant ship *Mendoza* in Uruguayan territorial waters, and the whole series of incidents connected with the *Mendoza's* attempt to sail without a Navicert and elude immediate capture by proceeding inside Uruguayan and Brazilian territorial waters, may perhaps now be usefully reviewed and summarised into a co-ordinated account, based mostly on the rather numerous urgent telegrams which, in a case of this nature, had to be sent as the situation developed. Now that it has been satisfactorily terminated I propose, after giving a brief recapitulation of the movements of the *Mendoza* until her final capture by the *Asturias* off the Brazilian coast, to deal more particularly with the attitude of the Minister for Foreign Affairs to the incident, and make some mention of the view of the State Department, which was in entire agreement with the decision of His Majesty's Government to make a prompt apology. Lastly, it will be shown that this decision gave the fullest satisfaction to the Uruguayan press and public opinion in general, and that, therefore, Anglo-Uruguayan relations have not been in any way unfavourably affected.

2. The *Mendoza* sailed from Buenos Aires on the afternoon of the 10th January for Montevideo, where she was to load an overdue remainder of canned meat, of a special type long since contracted for by the French Government (some 770 tons provided in about equal proportions by the "Frigorífico Nacional," Messrs. Swift and Messrs. Armour respectively), and a small first instalment of 75 tons of a new contract for 4,000 tons of frozen meat. The latter, of a value of some £120,000, had just been contracted for by the Vichy Government with the Uruguayan "Frigorífico Nacional," which had underbid Argentine suppliers, the latter, for comprehensible reasons, not being anxious to do the business. There can be little doubt that the transaction was due to the shortsighted policy—not to say bad faith—of the Director of the Frigorífico, General Da Costa, who, when tackled on the subject by the commercial secretary of this legation, professed to have believed that there would be no objection to it on behalf of His Majesty's Government, and, anyhow, expressed regret that it was too late for him to